

Client Update

28 Law Firms Publish White Paper Addressing Trust Indenture Act Complications In Debt Restructurings

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Today, Debevoise and 27 other leading U.S. law firms have published an Opinion White Paper addressing the recent decisions of the United States District Court for the Southern District of New York interpreting Section 316(b) of the Trust Indenture Act (TIA) in the *Marblegate*¹ and *Caesars Entertainment*² cases. As discussed in our January 28, 2015 Client Update, “Expansive Trust Indenture Act Interpretation May Negatively Affect Bond Restructurings”³ and our “Bond Restructuring Challenges” article in the Fall 2015 Private Equity Report,⁴ these cases contain language that suggests a significant departure from the widely understood meaning of TIA Section 316(b) that prevailed among practitioners for decades. These decisions have introduced interpretive issues that have disrupted established legal opinion practice and created new obstacles for out-of-court debt restructurings.

The Opinion White Paper presents general principles that can guide opinion givers until the interpretive questions raised by these recent cases are resolved through future judicial opinions or legislative action.

We expect that the Opinion White Paper will be the subject of attention and significant discussion in the legal and business communities that deal with

¹ *Marblegate Asset Management v. Education Management Corp.*, 2014 WL 7399041, 75 F. Supp. 3d 592 (S.D.N.Y. 2014); *Marblegate Asset Management v. Education Management Corp.*, 2015 WL 3867643 (S.D.N.Y. 2015).

² *Meehancombs Global Credit Opportunity Funds, LP v. Caesars Entertainment Corp.*, 2015 WL 221055, 80 F. Supp. 3d 507 (S.D.N.Y. 2015); *BOKF, N.A. v. Caesars Entertainment Corp.*, 2015 WL 5076785 (S.D.N.Y. 2015).

³ <http://www.debevoise.com/insights/publications/2015/01/expansive-trust-indenture>.

⁴ <http://privateequityreport.debevoise.com/the-private-equity-report-fall-2015-vol-15-no-2/bond-restructuring-challenges>.

restructurings. We hope that it will help bring greater clarity to transactions and related legal opinion practice in the restructuring context. The Opinion White Paper is posted on our website [here](#).

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Please do not hesitate to contact any of us if you have any questions or would like further information.